

Dear Provider:

As a participant in the Child and Adult Care Food Program (CACFP) you will be eligible to receive one of two rates of reimbursement (called Tier 1 and Tier 2) for meals served in your day care home. This letter explains how our agency, as your CACFP Sponsoring Organization, will determine if your home qualifies for the higher Tier 1 meal reimbursement rates. This letter also discusses the new procedures for qualifying a provider to claim meals served to their own child or a foster child.

**What Qualifies as a Tier 1 Home?** In order to qualify for the Tier 1 reimbursement rate, you must either: 1) be located in an area of economic need as determined by elementary school enrollment for free or reduced price meals or census data, or 2) meet the household income eligibility guidelines for Tier 1 homes. It will be our agency's responsibility to determine if you qualify for Tier 1 reimbursement rates based upon the location of your day care home in an area of economic need. If you are classified as a Tier 1 home because your home is located in an area of economic need, you do not have to complete the attached Income Eligibility Application *unless* you want to claim your own child or a foster child. If you do not live in an area of economic need and you would like to know if your household income qualifies your home for Tier 1 reimbursement rates, an Income Eligibility Application *must* be completed.

If you choose to complete the attached Income Eligibility Application to qualify for Tier 1 reimbursement rates, we are required by law to verify your household's income. To verify your income, we need a copy of your most recent tax return, or income documentation for the previous month (this includes payment statements from salaried work and statements pertaining to all sources of income for all household members). Your child care business must be documented as part of your gross income for the previous month, along with receipts of business expenses. This information is necessary so we can verify your *net* business income.

If you do not live in an area established as one of economic need and choose not to complete the Income Eligibility Application or do not qualify by income, you will still receive reimbursement for the CACFP meals served to enrolled day care children at the lower Tier 2 rate. If you qualify as a Tier 2 home, a representative from our agency will contact you about your options for reimbursement.

**How Do I Qualify to Claim My Own Child or a Foster Child?** The Income Eligibility Application is required for all providers who wish to claim meals served to their own children or foster children. If you are determined eligible, you may claim meals served to your own child under thirteen years of age, only when other enrolled, non-resident children are present at the meal service. In certain cases, foster children are eligible for Tier 1 reimbursement rates regardless of the income of the individual(s) with whom they reside. Households wishing to apply for such benefits for foster children should contact the CACFP Sponsoring Organization Representative listed below.

CACFP also provides automatic Tier 1 reimbursement eligibility for providers from households receiving Food Stamps or Temporary Assistance to Needy Families (TANF) benefits after the identification or case number is provided. If your household no longer participates in the Food Stamp or TANF Programs, you must notify the Sponsor Representative immediately. All information on the application will be kept confidential and used only for the purpose of determining the reimbursement rate you will receive for the meals served to enrolled child(ren).

In accordance with Federal law and U.S. department of Agriculture policy, this institution is prohibited from discriminating on the basis of color, race, sex, age, disability or national origin. (Not all prohibited bases apply to all programs.) To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

If you have any questions, please contact \_\_\_\_\_ at \_\_\_\_\_  
Thank you for your cooperation.

Sincerely,

CACFP Representative

**INCOME ELIGIBILITY GUIDELINES FOR TIER 1  
(EFFECTIVE FROM July 1, 2006 TO June 30, 2007)**

Household Size	Household Income (All Sources)		
	Yearly	Monthly	Weekly
1	18,130	1,511	349
2	24,420	2,035	470
3	30,710	2,560	591
4	37,000	3,084	712
5	43,290	3,608	833
6	49,580	4,132	954
7	55,870	4,656	1,075
8	62,160	5,180	1,196
For each additional family member	+6,290	+525	+121

**SOURCES OF INCOME FOR ALL HOUSEHOLD MEMBERS**

**Earnings from Work**

Wages, Salaries, Tips  
Strike Benefits  
Unemployment Compensation  
Workers Compensation  
Net Income from Self-Owned  
Business, Farm or Day Care

**Pensions/Retirement/Social Security**

Pensions (government or private)  
Supplemental Security Income  
Retirement Income  
Veteran's Payments  
Social Security

**Other Income**

Disability Benefits  
Cash Withdrawn from Savings,  
Interest or Dividends  
Income from Estates, Trusts,  
Investments  
Regular Contributions from  
persons not living in the  
household  
Net Royalties, Annuities  
Net Rental Income  
Any Other Income

**Welfare/Child Support/Alimony**

Public Assistance Payments  
Welfare Payments  
Alimony, Child Support Payments

**Categorically Eligible Programs**

Food Stamp Program  
Temporary Assistance to Needy Families (TANF)  
Food Distribution Program on Indian Reservations  
(FDPIR)

**Some Specific Instructions for Providers Completing the Income Eligibility Application:** When completing the Income Eligibility Application, report all household income, not just your day care business income. The definition of household is as follows: *family or household* means a group of related or non-related individuals who are not residents of an institution or boarding house, but who are living as one economic unit. Family members who become unemployed may be eligible for Tier 1 reimbursement rates during the period of unemployment provided the loss of income causes the family income during the period of unemployment to be within the eligibility standards.

**Verification of Income:** Income verification must be completed for providers who are eligible for Tier 1 base upon household income. If you operated a day care home business last year, please attach a copy of your most recent tax return including Schedule C. Other income documentation may include pay stubs for salaried work or statements from other forms of income for all household members.

Return to:

*The information requested on this form is required by the Child and Adult Care Food Program. It is not related to any fees you may be charged by the sponsor, provider or institution. Financial information is for the exclusive use of the Child and Adult Care Food Program and is considered confidential.*

## PART A

Name of Provider \_\_\_\_\_

Phone # \_\_\_\_\_ 2<sup>nd</sup> Phone # \_\_\_\_\_

Street Address \_\_\_\_\_ Apt. # \_\_\_\_\_

Mailing Address (if different) \_\_\_\_\_ Apt. # \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

*Household: a group of individuals who live together and share income and expenses.*

List ALL the members of your household beginning with yourself

NAME OF ALL HOUSEHOLD MEMBERS	DATE OF BIRTH	RELATIONSHIP TO YOU	ENROLLED IN CARE (Y/N)
1) _____		SELF	
2) _____			
3) _____			
4) _____			
5) _____			
6) _____			
7) _____			

Does anyone in your household participate in

☐ Food Stamps ID # \_\_\_\_\_

☐ Public Assistance/TANF ID # \_\_\_\_\_

Participation in one of these programs may satisfy CACFP requirements. If you participate in one of these programs, please bring verification.  
If no one in your household participates in any of these programs, continue on to PART B on the back page.

**PART B – Household Income – Include all members of your household and their income.**  
(Verification of income is only required for Tier 1 eligibility by income.)

☐ **Wages/Salary (Gross)** – List Below

	Household Member Name	Gross Salary (Monthly)
1)	_____	_____
2)	_____	_____
3)	_____	_____
<input type="checkbox"/>	<b>Unemployment/Disability</b> – Please bring stub/disability letter	_____
<input type="checkbox"/>	<b>Self-Employed (Net)</b> – Please bring Income Tax Records	_____
<input type="checkbox"/>	<b>Other</b> – Bring proof if interest, dividends, rental income, income from estates or trusts, Social Security, SSI, spousal support, child support, pensions and any other cash received or withdrawn from any source	_____

**SPONSOR USE ONLY**

Sponsor Agreement # \_\_\_\_\_

Total Household Members \_\_\_\_\_

Total Household Income \_\_\_\_\_

Number of Eligible Provider's Own Children \_\_\_\_\_

Tier 1 \_\_\_\_\_ Tier 2 \_\_\_\_\_

Verification or Reason \_\_\_\_\_

Signature of Sponsor's Determining Official \_\_\_\_\_

Date Determined \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**PART C – Provider Certification**

After reading the following statements, sign below

I certify that the above information is true and correct and that all income is reported. I understand this information is being given for the receipt of federal funds, that officials may verify the information on the application and that deliberate misrepresentation of the information may subject me to prosecution under applicable state and federal laws.

Section 9 of the National School Lunch Act requires that, unless your children's Food Stamp, FDPRI or TANF case number is provided, you must include a Social Security number on the statement. This may be either the Social Security number of the parent or guardian who is the primary wage earner or the Social Security number of the adult household member signing the statement, or an indication that neither household member possesses a Social Security number. The statement cannot be approved without a Social Security number or indication that neither the primary wage earner nor the adult household member signing the statement has one. This notice must be brought to the attention of the household member whose Social Security number is disclosed. The Social Security number may be used to identify the household member in carrying out efforts to verify the correctness of information stated on the statement. These verification efforts may be carried out through program reviews, audits, investigations and may include contacting employers to determine income, contacting a Food Stamp or welfare office to determine current certification for receipt of Food Stamps or TANF benefits, contacting the State Employment Security Office to determine the amount of benefits received and checking the documentation produced by the household member to prove the amount of income received. These efforts may result in a loss or reduction of benefits, administrative claim, or legal actions if incorrect information is reported.

Printed Name of Provider \_\_\_\_\_

Signature of Provider \_\_\_\_\_

Social Security Number  
of Provider  
Date Signed  
By Provider \_\_\_\_\_

--	--	--	--	--	--	--	--	--	--